

# 2011 Military Health System Conference

## TRICARE Operations and Policy Update

*The Quadruple Aim: Working Together, Achieving Success*

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TRICARE Management  
Activity

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# Operations and Policy Update



- HIGHLIGHT RECENTLY IMPLEMENTED AND UPCOMING POLICY AND BENEFIT CHANGES
  - Health Care Reform
  - TRICARE Young Adult Coverage
  - NDAA for FY 2010 and 2011
  - Other Changes

# Operations and Policy Update



- TRICARE and National Health Care Reform
  - No immediate effect on TRICARE benefit
  - TRICARE is deemed “qualifying coverage”

# Operations and Policy Update



- Protections of National Health Reform:
  - No discrimination for pre-existing conditions
  - No exorbitant out-of-pocket expenses
  - No cost-sharing for preventive care
  - No dropping of coverage for seriously ill
  - No gender discrimination
  - No annual or lifetime caps on coverage

# Operations and Policy Update



- Protections of National Health Reform:
  - Guaranteed renewal despite illness
  - Extended coverage for young adults <26
  - TRICARE Met 7 of the 8 Criteria Prior to Passage
    - Based on the President's Health Insurance Consumer Protections
    - [www.whitehouse.gov/health-insurance-consumer-protections](http://www.whitehouse.gov/health-insurance-consumer-protections)

# Operations and Policy Update



- The Patient Protection and Affordable Care Act (PL 111-148)
  - Adult children (even if married) can stay on their parent's health plan until age 26
  - Excluded if eligible for own employer sponsored health plan (expires Jan, 2014)
  - Mandatory start date was January 1, 2011, though by law coverage could start as early as September 23, 2010
- TRICARE required separate legislation

# Operations and Policy Update



- Ike Skelton NDAA For 2011
  - Unmarried dependent children not eligible for medical coverage at age 21 (23 if enrolled in college) can purchase TRICARE coverage based on the military sponsor's eligibility and enrollment status up to the age of 26
  - Not eligible if eligible for own employer-sponsored plan (no expiration date)
  - Actuarial (full-cost) monthly premiums
  - Effective start date is January 1, 2011
  - Implement via interim final rule



# Operations and Policy Update



- Phased Implementation
- Phase 1 – Plans with TRICARE Standard / Extra Option
  - Planned to be available 120-days after NDAA for FY11 signed into law
  - Can purchase retroactive coverage back to statutory effective date of Jan. 1, 2011
  - Includes space-A access to MTFs
  - Military ID cards highly recommended after coverage is purchased



# Operations and Policy Update

12/15/10 1/15/11 2/15/11 3/15/11 4/01/11

Requirements Matrix	-----
TRICARE Systems / Reimburse Manuals	-----
DMDC System Changes	-----
MHS System Changes	-----
TRICARE Ops Manual	-----
Contract Mods	*
RAPIDS Guidance	-----
Comm Plan	-----
Marketing Materials	----- <sup>2</sup> -----
Enrollment Form	-----

<sup>1</sup> Refine and continue the pre-legislation efforts to inform stakeholders and beneficiaries via press releases, briefings to C & A, web updates, podcasts, social media blasts, and BCAC Blasts

<sup>2</sup> Marketing and Education materials initially available on the web, then in print

**2011 MHS Conference**

# Operations and Policy Update



- Phase 2 – Plans with Prime Option
  - More complex due to system and process changes
  - Execute via contract mods
  - Can switch from Standard to Prime
  - No retroactive coverage

# Operations and Policy Update



- Cost Shares and Copayments
  - Contribute to individual and family deductibles
  - Contribute to family catastrophic cap (no individual catastrophic cap)
  - Depends on the plan selected

# Operations and Policy Update



Option	Extra	Standard
<b>Program Type</b>	Preferred Provider	Fee-For-Service
<b>Deductible</b>	E-4 and below: \$50 individual / \$150 family E-5 and above: \$150 individual / \$300 family Retirees: \$150 individual / \$300 family	
<b>Copayment</b>	Active duty family – 15% Retiree family – 20%	Active duty family – 20% Retiree family – 25%
<b>Providers</b>	TRICARE Network	TRICARE Authorized
<b>Claims</b>	Provider files	Provider may file
<b>Balance Bill</b>	No	Up to 15%

# Operations and Policy Update



- Premiums
  - Actuarially developed monthly premium or premiums are to be cost neutral to the Govt
  - Premiums are not credited to deductibles nor catastrophic cap
  - Premiums influenced by actual health care costs (purchased care and direct care), cost shares, deductibles, and catastrophic caps
  - Separate premiums for TRICARE  
Standard / Extra versus Prime plans

# Operations and Policy Update



- TRICARE Young Adult Processes
  - Adult age dependent completes application and submits payment
  - Coverage starts
    - Continuation Coverage – Day after loss of eligibility if application submitted within 30 days
    - TRICARE Standard – 1<sup>st</sup> of the next month or retroactive to Jan, 1, 2011
    - TRICARE Prime – “20<sup>th</sup> of the month rule”

# Operations and Policy Update



- TRICARE Young Adult Processes – cont --
  - Cards – After purchase of coverage
    - Enrollment Card
    - Highly recommended to get new military ID card (no other privileges authorized)
  - Coverage ends:
    - Upon age 26
    - Has employer-sponsored health care
    - Failure to pay premiums (one year lock-out)



# Operations and Policy Update



- TRICARE Young Adult Processes – cont --
  - Coverage ends (continued):
    - Marries
    - Sponsor loses eligibility or terminates coverage
  - Most eligible for Continued Health Care Benefit Program after Young Adult ends

# Operations and Policy Update



- Impact on Military Treatment Facilities
  - Priority for enrollment and access to care the same as other family members of the military sponsor
  - Eligibility
    - Reflected in CHCS / AHLTA / DEERS
    - Should present military ID cards
    - Initially only space-A care, including pharmacy
    - Medical and ancillary care only; no dental care

# Operations and Policy Update



- Impact on Military Treatment Facilities (cont)
  - When Prime implemented, can enroll with MTF PCM per MTF Commander's business rules

# Operations and Policy Update



- NDAA 2010
  - Many provisions impacting policy/benefits already implemented
  - “Gray-Area” Retired Reserves can Purchase TRICARE Coverage
  - Prime Travel Changes (Exceptional Circumstances)

# Operations and Policy Update



- NDAA 2011
  - Only significant benefit change is TRICARE Young Adult

# Operations and Policy Update



- OTHER CHANGES
  - Urgent Referrals/Health Care Finder Pilot
  - Enrollment Portability
  - On-line Directory of all TRICARE Authorized providers
  - Enrollment Lock-out
  - T3/Other